

# REPORT

**DATE:** April 11, 2008

**TO:** Transportation and Communications Committee

**FROM:** Hasan Ikhrata, Executive Director, (213) 236-1944, ikhrata@scag.ca.gov

**SUBJECT:** Orangeline System connecting South Orange County with North Los Angeles County with High Speed Maglev

**EXECUTIVE DIRECTOR'S APPROVAL:**



## RECOMMENDED ACTION:

Recommend any revision based on staff analysis as to whether the Orangeline meets federal requirements for inclusion in the financially constrained Final RTP.

## BACKGROUND:

1. **No use of the Pacific Electric (P.E.) Right-of-Way (ROW) is available in Orange County**
  - On January 28, 2008, the Orange County Transportation Authority (OCTA) Board ruled that the Orangeline could not use the OCTA P.E. ROW. This resolution was sent in a February 4, 2008 letter from OCTA to SCAG.
  - A second letter was sent from OCTA to SCAG on March 17, 2008 which confirmed and clarified that the Orangeline will not have use of the OCTA P.E. ROW.
  - OLDA's own documentation, a report done by Arcadis (Milestone 9, page 10) indicates, "Without the assurance that public rights-of-way identified for the project will be available, the Authority (OLDA) will likely not be able to secure the funding needed to proceed with the project."
2. **OLDA has not sent SCAG a revised Financial Plan after the OCTA resolution**
  - In a memo sent from OLDA to SCAG dated January 10, 2008 (before the OCTA ruling), OLDA specifically states: *"The project cost estimate is based on the assumption that public rights-of-way will be provided at no additional cost to the project....Should it be decided that payment will be required, the financial plan would be refined to include this cost."*
  - On Wednesday April 9, 2008, OLDA sent SCAG new documentation in response to SCAG's concerns. Staff finds no new relevant information that would change the conclusion of Staff Findings.
3. **Declining political support in Orange County**
  - On February 19, 2008 on a 3-2 vote, the Los Alamitos City Council voted to immediately withdrawal its membership from OLDA.

# REPORT

- On August 20, 2007, the Santa Ana City Council passed a resolution supporting joining OLDA. However, Santa Ana has never officially been a member of the JPA because it has not paid its' dues. Santa Ana requested that OCTA pay the dues on its behalf and OCTA rejected that request.
- Four cities, Tustin, Irvine, Aliso Viejo and La Palma, within Orange County sent comments to SCAG on the Draft RTP opposing the Orangeline from being included in the Constrained Plan.

#### 4. Pending issues need to be addressed with respect to the Orangeline project

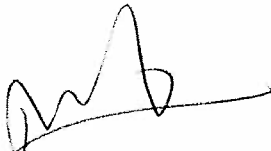
- The Orangeline project does not meet the financial federal guidelines (A Guide To Federal And State Financial Planning Requirements, Federal Highway Administration (FHWA), California Division, Federal Transit Administration (FTA), Region IX California Department of Transportation (Caltrans) April 28, 2004) as currently laid out. In the federal guidelines, "The following are examples of specific cases where new funding sources should *not* generally be considered to be "reasonably available": (1) past efforts to enact new revenue sources have generally not been successful; (2) the extent of current support by public, elected officials, business community and/or special interests indicates passages of a pending funding measure is doubtful; or (3) no specific plan of action for securing the funding source and/or other information that demonstrates a strong likelihood that funds will be secured is available."
- As a result of the new assumptions with respect to right-of-way access in Orange County, a variety of quantitative factors about the Orangeline operating performance are now in question. Some of these include fare structure, speed, farebox recovery, development opportunities, connectivity with other systems, capital costs, operating costs, etc. These issues will need to be specifically recalculated in the revised Orangeline Financial Plan.

Based on the analysis presented in this report, staff does not believe Orangeline meets the requirements for inclusion in the Constrained Plan.

#### FISCAL IMPACT:

None.


Reviewed by:

  
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Division Manager

Reviewed by:

  
Acting, \_\_\_\_\_  
Department Director

Reviewed by:

 FOR WYNNE MOORE  
\_\_\_\_\_  
Chief Financial Officer